

## CHAPTER 24

### TAXATION, SPECIAL

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**CHAPTER 24**  
**TAXATION, SPECIAL**

**Part 1**

**Earned Income Tax**

**§101. Authority.** This Part is adopted pursuant to the authority conferred by The Local Tax Enabling Act, the Act of December 31, 1965, P.L. 1257; 53 P.S. Section 6901, as amended, hereinafter known as the “Act”.

**§102. Short Title and Effective Date.** This Part shall be known as the “Earned Income Tax Ordinance.” The provisions hereof shall become effective on the 1<sup>st</sup> day of January, 2004 A.D., and the tax shall continue in force on a calendar year or a taxpayer fiscal year basis, without annual reenactment, unless the rate of the tax is subsequently changed.

**§103. Definitions.**

ASSOCIATION – A partnership, limited partnership, or any other unincorporated group of two or more persons.

BOARD – The Board of Supervisors of the Township of Buffalo.

BUSINESS – An enterprise, activity, profession, or any other undertaking of an unincorporated nature conducted for profit or ordinarily conducted for profit whether by a person, partnership, association, or any other entity.

CORPORATION – A corporation or joint stock association organized under the laws of the United States, the Commonwealth of Pennsylvania, or any other state, territory, foreign country, or dependency.

CURRENT YEAR – The calendar year for which the tax is levied.

DOMICILE – The place where one lives and has his permanent home and to which he has the intention of returning whenever he is absent. Actual residence is not necessarily domicile, for domicile is the fixed place of abode which, in the intention of the taxpayer, is permanent rather than transitory. Domicile is the voluntarily fixed place of habitation of a person, not for a mere special or limited purpose, but with the present intention of making a permanent home, until some event occurs to induce him to adopt some other permanent home. In the case of businesses or associations, the domicile is that place considered as the center of business affairs and the place where its functions are discharged.

EARNED INCOME – Compensation including salaries, wages, commissions, bonuses and incentive payments whether based on profits or otherwise, fees, tips and similar remuneration for services rendered, whether in cash or in property, such as:

(1) Items of remuneration received, directly or through an agent, in cash or in property, based on payroll periods or piecework, for services rendered as an employee or casual employee, agent or officer of an individual, partnership, business or nonprofit corporation, or government agency. These items include salaries, wages, commissions, bonuses, stock options, incentive payments, fees, tips, dismissal, termination or severance payments, early retirement incentive payments and other additional compensation contingent upon retirement, including payments in excess of the scheduled or customary salaries provided for those who are not terminating service, rewards, vacation and holiday pay, paid leaves of absence, payments for unused vacation or sick leave, tax assumed by the employer, signing bonuses, amounts received under employee benefit plans and deferred compensation arrangements.

(2) Scholarships, stipends, grants and fellowships, if services are rendered in connection therewith.

(a) When used in this subsection, the following words have the following meanings, unless the context clearly indicates otherwise:

(1) FELLOWSHIP STIPEND OR FELLOWSHIP AWARD – A fixed sum of money paid periodically for services or to defray expenses to a graduate student who is enrolled in a graduate degree program at a university.

(2) GRANT-IN-AID – Financial support given by a public agency or private institution to an individual to further the individual's education.

(3) POSTDOCTORAL RESEARCH FELLOWSHIP STIPEND OR POSTDOCTORAL RESEARCH FELLOWSHIP AWARD – A fixed sum of money paid periodically for service or to defray expenses of an individual who has obtained a doctoral degree at a university and in conducting research at a research facility.

(4) SCHOLARSHIP – A grant-in-aid to a student.

(3) Other forms of remuneration characterized as taxable compensation by the Tax Reform Code of 1971, as amended, and its implementing regulations, as amended, and any future amendments to said Code and/or its implementing regulations.

(4) Compensation does not include:

(a) Periodic payments for sickness and disability other than the regular wages received during a period of sickness or disability; or

(b) Disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts and similar legislation by any government; or

(c) Payments commonly recognized as old age or retirement benefits paid to persons retired after reaching a specific age or after a stated period of employment; or

(d) Payments commonly known as public assistance, or unemployment compensation payments by any governmental agency; or

(e) Payments to reimburse actual expenses; or

(f) Payments made by employers or labor unions for employee benefit programs covering hospitalization, sickness, disability or death, supplemental employment benefits or strike benefits, subject to certain conditions identified in the Tax Reform Code of 1971, as amended, and its implementing regulations; or

(g) Any compensation received by United States servicemen serving in a combat zone; or

(h) Payments received by a foster parent for in-home care of foster children from an agency of the Commonwealth or a political subdivision thereof, or an organization tax exempt from Federal tax under section 501(c)(3) of the Internal Revenue Code of 1954, which is licensed by the Commonwealth or a political subdivision thereof as a placement agency; or

(i) Payments made by employers or labor unions for employee benefit programs covering social security or retirement; or

(j) Personal use of an employer's owned or leased property or of employer-provided services.

EMPLOYER – A person, partnership, association, corporation, institution, governmental body or unit or agency, or any other entity employing one or more persons for a salary, wage, commission or other compensation.

INCOME TAX OFFICER OR OFFICER – Person, public employee or private agency designated by governing body to collect and administer the tax on earned income and net profits.

NET PROFITS –

(1) The net income from the operation of a business, profession, or other activity, except corporations, after provision for all costs and expenses incurred in the conduct thereof, be determined either on a cash or accrual basis in accordance with generally accepted accounting principles and practices, as defined in the Tax Reform Code of 1971, as amended, its implementing regulations, and any subsequent amendments to said Code and/or regulations. Net profits does not include income which is not paid for services provided and which is in the nature of earnings from an investment.

(2) To constitute net profits, all of the following must apply:

(a) The gross profits shall be derived from one of the following:

(1) The marketing of a product or service to customers on a commercial basis or from securities employed as working capital in the business operations.

(2) Accounts and notes receivable from sales of products or services in the ordinary course of the business operations.

(3) Assets which serve an operational function in the ordinary course of business operations.

(b) The marketing activity shall be conducted with the manifest objective of achieving profitable operations.

(c) The marketing objective shall be conducted with regularity and continuity and may not be limited or exclusive.

(3) In computing net profits, a deduction will not be allowed for any item of cost, expense or liability derived or incurred in connection with, or attributable to any of the following:

(a) The ownership or disposition of assets that are held for investment purposes or otherwise serve an investment function.

(b) The trading in securities for personal purposes and not for the accounts of customers.

(c) The sale, discontinuation or abandonment of a business or segment thereof.

(d) Any tax imposed on, or measured by, gross or net earned or unearned income.

(e) An isolated or nonrecurring transaction which is not a normal or routine business activity.

(4) Choosing to form a partnership or other entity or to associate with others, receiving and reporting income or gain as the income of the partnership, entity or associates or dividing the same among its partners, beneficial owners or associates or the trading in securities for the benefit of shareholders, partners, members or associates does not of itself make the income of the partnership, entity or associates net profits.

(5) For purposes of this section, only the following participants in the stock, securities, options, derivatives, futures or commodities market are engaged in marketing of a product or service to customers:

(a) Those who maintain or provide a market place or facilities for bringing together purchasers and sellers of these financial investment products.

(b) Those who are licensed to act as their customer's agents and charge a negotiated commission for executing transactions and do not take title to the particular portion they buy or sell.

(c) Those who devote managerial attention to the financial investment products holdings of others, or who employ other persons to assist them in that management, in the capacity of a licensed investment advisor.

(d) Licensed dealers, including financial investment product specialists and market makers, if the conditions in subparagraphs (1) through (4) are met:

(1) The dealer maintains an inventory of financial investment products with the objective of reselling his inventories at a profit to customers or operates as a specialist or market maker.

(2) The dealer makes market by quoting the bid and asks prices at which he is willing to buy and sell the financial investment products and by buying directly from or selling directly to customers.

(3) The dealer's profit is determined in whole or in part by a markup based on cost.

(4) The dealer elects to inventory securities held for resale to customers or used the mark-to-market system of accounting.

(e) Underwriters who facilitate initial sales of financial investment products by acting either as licensed dealers in a principal capacity or as brokers in an agency capacity.

(6) When a person operates as an investor or trader with respect to a portion of that person's activities and as a market establishment, broker, investment counselor or dealer with respect to the rest, this section applies only to the operations as a market establishment, broker, investment counselor or dealer.

For taxpayers engaged in the business, profession or activity of farming, the term shall not include:

(a) Any interest earnings generated from any monetary accounts or investment instruments of the farming business;

(b) Any gain on the sale of farm machinery;

(c) Any gain on the sale of livestock held twelve months or more for draft, breeding or dairy purposes; and

(d) Any gain on the sale of other capital assets of the farm.

NON-RESIDENT – A person, partnership, association or other entity domiciled outside the taxing district.



PERSON OR INDIVIDUAL – A natural person.

PRECEDING YEAR – The calendar year before the current year.

RESIDENT – A person, partnership, association or other entity domiciled in the taxing district.

SUCCEEDING YEAR – The calendar year following the current year.

TAXING DISTRICT – The Township of Buffalo, Union County, Pennsylvania.

TAXPAYER – A person, partnership, association, or any other entity, required hereunder to file a return of earned income or net profits, or to pay a tax thereon.

**§104. Imposition of Tax.** A tax for general revenue purposes is hereby re-imposed in the amount of one-half (0.5%) percent earned income received and to net profits earned by residents and non-residents of the Township of Buffalo, beginning of the first day of January, 2004, and continuing for each taxable year thereafter.

Except as otherwise provided in Section 14 of the Local Tax Enabling Act, 53 P.S. Section 6914, as amended, allowing for crediting or deductions for duplication of taxes, in the event the School District in which the Township is situate, shall impose, or continue to impose, an earned income tax under the authority of the Act on residents or businesses domiciled within that Township during the same year or part of year, then the tax herein imposed shall be subject to the sharing provision from the day such duplication becomes effective.

**§105. Declaration and Payment of Tax.**

(1) **Net Profits.**

(a) Every taxpayer making net profits shall, on or before April 15 of the current year, make and file with the officer on a form prescribed or approved by the officer, a declaration of his estimated net profits during the period beginning January 1, and ending December 31 of the current year, and pay to the officer in four (4) quarterly installments, as nearly equal as possible, the tax due thereon as follows: The first installment at the time of filing the declaration, and the other installments on or before June 15 of the current year, September 15 of the current year, and January 15 of the succeeding year, respectively.

(b) Any taxpayer who first anticipates any net profit after April 15 of the current year, shall make and file the declaration hereinabove required on or before June 15 of the current year, September 15 of the current year, or December 31 of the current year, whichever of these dates next follows the date on which the taxpayer first anticipates

such net profit, and pay to the officer in installments, as nearly equal as possible, the tax due thereon, on or before the quarterly payment dates which remain after the filing of the declaration.

(c) Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the officer on a form prescribed or approved by the officer a final return and reconciliation showing the amount of net profits earned during the period beginning January 1 of the current year and ending on December 31 of the current year, the total amount of tax due thereon and the total amount of tax paid thereon. At the time of filing the final return, the taxpayer shall pay to the officer the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

Any taxpayer may, in lieu of paying the fourth quarterly installment of his estimated tax, elect to make and file with the officer on or before January 31 of the succeeding year, the final return as hereinabove required.

(d) The officer is hereby authorized to provide by regulation for the making and filing of adjusted declarations of estimated net profits, and for the payments of the estimated tax in cases where a taxpayer who has filed the declaration hereinabove required, anticipated additional net profits not previously declared or finds that he has overestimated his anticipated net profits.

(e) Every taxpayer who discontinues business prior to December 31 of the current year, shall, within thirty (30) days after the discontinuance of business, file his final return as hereinabove required and pay the tax due.

(2) Earned Income.

(a) Annual Earned Income Tax Return. Every taxpayer shall, on or before April 15 of the succeeding year, make and file with the officer on a form prescribed or approved by the officer a final return showing the amount of earned income received during the period beginning January 1 of the current year, and ending December 31 of the current year. Such final return shall also show the total amount of tax due thereon, the amount of tax paid thereon, and the amount of tax thereon that has been withheld pursuant to the provisions relating to the collection at source and the balance of tax due. At the time of filing the final return, the taxpayer shall pay the balance of the tax due or shall make demand for refund or credit in the case of overpayment.

(b) Earned Income Not Subject to Withholding. Every taxpayer who is employed for a salary, wage, commission, or other compensation and who received any earned income not subject to the provisions relating to collection at source, shall make and file

with the officer on a form prescribed or approved by the officer a quarterly return on or before April 30 of the current year, July 31 of the current year, October 31 of the current year, and January 31 of the succeeding year, setting forth the aggregate amount of earned income not subject to withholding by him during the three-month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year, and December 31 of the current year, respectively, and subject to the tax, together with such other information as the officer may require. Every taxpayer making such returns, shall, at the time of filing thereof, pay to the officer the amount of tax shown as due thereon.

(3) Death of Taxpayer. In the event of the death of a taxpayer during a taxable period, his personal representative shall file his return on or before the 15<sup>th</sup> day of April of the year following the date of death and on or before such date shall pay any tax due from such deceased taxpayer under this Part or demand refund in the case of overpayment.

(4) Guardian of Taxpayer. Should a guardian of the estate be appointed for a taxpayer, such guardian shall be imputed with the same duties and responsibilities as the taxpayer would have regarding the reporting and paying of taxes under this Part.

#### **§106. Collection at Source.**

(1) Every employer having an office, factory, workshop, branch, warehouse, or other place of business within the Township who employs one or more persons, other than domestic servants, for a salary, wage, commission or other compensation, who has not previously registered, shall, within fifteen (15) days after becoming an employer, register with the officer, his name and address and such other information as the officer may require.

(2) Every employer having an office, factory, workshop, branch, warehouse, or other place of business within the Township who employs one or more persons, other than domestic servants, for a salary, wage, commission, or other compensation, shall deduct at the time of payment thereof, the tax imposed by this Part on the earned income due to his employment, and shall, on or before April 30 of the current year, July 31 of the current year, October 31 of the current year and January 31 of the succeeding year, file a return and pay to the officer the amount of taxes deducted during the preceding three month periods ending March 31 of the current year, June 30 of the current year, September 30 of the current year, and December 31 of the current year, respectively. Such return unless otherwise agreed upon between the officer and the employer shall show the name and social security number of each such employee, the earned income of such employee during such preceding three month period, the tax deducted therefrom, the political subdivisions imposing the tax upon such employee, the complete address of each and every employee subject to withholding, the total earned income

of all such employees during such preceding three month period, and the total tax deducted therefrom and paid with the return.

Any employer who for two of the preceding four quarterly periods has failed to deduct the proper tax, or any part thereof, or has failed to pay over the proper amount of tax to the taxing authority, may be required by the officer to file his return and pay the tax monthly. In such cases, payments of tax shall be made to the officer on or before the last day of the month succeeding the month for which the tax was withheld.

(3) On or before February 28 of the succeeding year, every employer shall file with the officer:

(a) An annual return showing the total amount of earned income paid, the total amount of tax deducted, and the total amount of tax paid to the officer for the period beginning January 1 of the current year and ending December 31 of the current year.

(b) A return withholding statement for each employee employed during all or any part of the period beginning January 1 of the current year and ending December 31 of the current year, setting forth the employee's name, address and social security number, the amount of earned income paid to the employee during said period, the amount of tax deducted, the political subdivisions imposing the tax upon such employee, and the amount of tax paid to the officer. Every employer shall furnish two copies of the individual return to the employee for whom it is filed.

(4) Every employer who discontinues business prior to December 31 of the current year, shall within thirty (30) days after the discontinuance of business, file the returns and withholding statements hereinabove required and pay the tax due.

(5) Except as otherwise provided herein, every employer who willfully or negligently fails or omits to make the deductions required by this section shall be liable to payment of the taxes which he was required to withhold to the extent that such taxes have not been recovered from the employee.

Notwithstanding the foregoing, no employer shall be held liable for failure to withhold earned income taxes or for the payment of such withheld tax money to a political subdivision other than the Township if such failure to withhold or such incorrect transmittal of withheld taxes arises from incorrect information as to the employee's place of residence submitted by the employee, nor shall an employer be liable for failure to withhold earned income taxes, or to make reports of wages, salaries, commissions or other compensation of his/its employees, unless the official continuing register of all earned income taxes levied under the authority of the Local Tax Enabling Act, as amended, maintained and supplemented annually by the

Department of Community and Economic Development, lists the Township's levying of the earned income tax.

(6) The failure or omission of any employer to make the deductions required by this section shall not relieve any employee from the payment of tax or from complying with the requirements of this Part relating to the filing of declarations and returns.

**§107. Powers and Duties of Officer.**

(1) The Board, by Resolution shall appoint the officer.

(2) It shall be the duty of the officer to collect and receive the taxes, fines and penalties imposed by this Part. It shall also be his duty to keep a record showing the amount received by him from each person or business paying the tax and the date of such receipt.

(3) Each officer, before entering upon his official duties, shall give an acknowledge a bond to the Township. If the Township shall, by ordinance, designate any bond previously given by the officer as adequate, such bond shall be sufficient to satisfy the requirements of this subsection. Each such bond shall be joint and several with one or more corporate sureties which shall be surety companies authorized to do business in this Commonwealth and duly licensed by the Insurance Commissioner of this Commonwealth. Each bond shall be conditioned upon the faithful discharge by the officer, his clerks, assistants, appointees of all trusts confided in him by virtue of his office, upon the faithful execution of all duties required of him by virtue of his office, upon the just and faithful accounting or payment over, according to law, of all monies and all balances thereof paid to, received or held by him by virtue of his office and upon the delivery to his successor or successors in office of all books, papers, documents, or other official things held in right of his office.

Each such bond shall be taken in the name of Buffalo Township, and shall be for the use of the Township appointing the officer, and for the use of such other person or persons for whom money shall be collected or received, or as his or her interest shall otherwise appear, in case of a breach of any of the conditions thereof by the acts or neglect of the principal of the bond.

The Township, or any person, may sue upon the said bond in its own or his own name for its or his own use.

Each such bond shall contain the name or names of the Surety Company or companies bound thereon. The Township shall fix the amount of the bond at an amount equal to the maximum amount of taxes which may be in the possession of the officer at any given time. The Township may at any time, upon cause shown and due notice to the officer, and his surety or

sureties, require or allow the substitution or the addition of a surety company acceptable to the Township for the purpose of making the bond sufficient in amount, without releasing the surety or sureties first approved from any accrued liability or previous action on such bond. The Township shall designate the custodian of the bond required to be given by the officer.

(4) The officer charged with the administration and enforcement of the provisions of this Part is hereby empowered to prescribe, adopt, promulgate, and enforce, rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the reexamination and correction of declarations and returns, and of payments alleged or found to be incorrect, or as to which any overpayment is claimed or found to have occurred, and to make refunds in case of overpayment, for any period of time not to exceed six (6) years subsequent to the date of payment of the sum involved, and to prescribe forms necessary for the administration of this Part. No rule or regulation of any kind shall be enforceable unless it has been approved by ordinance of the Board. A copy of such rules and regulations currently in force shall be available for public inspection.

(5) The officer shall refund, on petition of, and proof by the taxpayer, earned income tax paid on the taxpayer's ordinary and necessary business expenses to the extent that such expenses are not paid by the taxpayer's employer.

(6) The officer and agent designated by him are hereby authorized to examine the books, papers, and records of any employer or of any taxpayer or of any person whom the officer reasonably believes to be an employer or taxpayer, in order to verify the accuracy of any declaration or return, or if no declaration or return was filed, to ascertain the tax due. Every employer and every taxpayer and every person whom the officer reasonably believes to be an employer or taxpayer, is hereby directed and required to give to the officer, or to any agent designated by him, the means, facilities and opportunities for such examination and investigation as hereby authorized. The officer shall have such power to subpoena books, records and papers of the employer or taxpayer as may be found in authority of the Commonwealth of Pennsylvania.

(7) Any information gained by the officer, his agents, or by any other official or agent of the Township as a result of any declarations, returns, investigations, hearings or verifications required or authorized by this Part, shall be confidential, except for official purposes and except in accordance with a proper judicial order, or as otherwise provided by law.

(8) The officer is authorized to establish different filing, reporting and payment dates for taxpayers whose fiscal years do not coincide with the calendar year.

**§108. Suit for Collection of Tax.**

(1) The officer may sue in the name of the Township for the recovery of taxes due and unpaid under this Part.

(2) Any suit brought to recover the tax imposed by this Part shall be begun within three (3) years after such tax is due, or within three (3) years after the declaration or return has been filed, whichever date is later.

Provided, however, that this limitation shall not prevent the institution of a suit for the collection of any tax due or determined to be due in the following cases:

(a) Where no declaration or return was filed by any person although a declaration or return was required to be filed by him under the provisions of this Part, there shall be no limitation.

(b) Where an examination of the declaration or return filed by any person, or of other evidence relating to such declaration or return in the possession of the officer, reveals a fraudulent evasion of taxes, there shall be no limitation.

(c) In the case of substantial understatement of tax liability of twenty-five (25%) percent or more and no fraud, suit shall begin within six (6) years.

(d) Where any person had deducted taxes under the provisions of this Part and has failed to pay the amounts so deducted to the officer, or where any person has willfully failed or omitted to make the deductions required by this section, there shall be no limitation.

(e) This section shall not be construed to limit the Board from recovering delinquent taxes by any other means provided by the Act.

(3) The officer may sue for recovery of an erroneous refund provided such suit is begun two (2) years after making such refund, except that the suit may be brought within five (5) years if it appears that any part of the refund was induced by fraud or misrepresentation of material fact.

**§109. Interest and Penalties.**

(1) If for any reason the tax is not paid when due, interest at the rate of six (6%) percent per annum on the amount of said tax, and an additional penalty of one-half of one (0.5%) percent of the amount of the unpaid tax for each month or fraction thereof during which the tax remains unpaid, shall be added and collected. Where suit is brought for the recovery of any

such tax, the person liable therefore shall, in addition, be liable for the costs of collection and the interest and penalties herein imposed.

(2) Notwithstanding the provisions of subsection (1), the Township may, by ordinance, establish a one-time period during which interest or interest and penalties that would otherwise be imposed for the non-reporting or underreporting of earned income tax liabilities or for the nonpayment of earned income taxes previously imposed and due shall be waived in total or in part if the taxpayer voluntarily files delinquent returns and pays the taxes in full during the period so established. The Township shall adopt regulations to implement the provisions of this subsection.

(3) The provisions of subsection (2) shall not affect or terminate any petitions, investigations, prosecutions or other proceedings pending under the provisions of this Part or prevent the commencement or further prosecution of any proceedings by the proper authorities for violations of this Part. No proceedings shall, however, be commenced on the basis of delinquent returns filed pursuant to subsection (2) if the returns are determined to be substantially true and correct and the taxes are paid in full within the prescribed time.

**§110. Fines and Penalties for Violations.**

(1) Any person who fails, neglects or refuses to make any declaration or return required by this Part any employer who fails, neglects or refuses to register or to pay the tax deducted from his employees, or fails, neglects or refuses to deduct or withhold the tax from his employees, any person who refuses to permit the officer or any agent designated by him to examine his books, records, and papers, and any person who knowingly makes any incomplete, false or fraudulent return, or attempts to do anything whatsoever to avoid the full disclosure of the amount of his net profits or earned income in order to avoid the payment of the whole or any part of the tax imposed by this Part, shall, upon conviction thereof before any justice of the peace, alderman or magistrate, or court of competent jurisdiction in Union County, be sentenced to pay a fine of not more than Five Hundred and 00/100 (\$500.00) Dollars for each offense, and costs, and in default of payment of said fine and costs to be imprisoned for a period not exceeding thirty (30) days.

(2) Any person who divulges any information which is confidential under the provisions of this Part, shall, upon conviction thereof before any District Justice, or court of competent jurisdiction, be sentenced to pay a fine of not more than Five Hundred and 00/100 (\$500.00) Dollars for each offense, and costs, and in default of payment of said fines and costs to be imprisoned for a period not exceeding thirty (30) days.

(3) The penalties imposed under this section shall be in addition to any other penalty imposed by any other section of this Part.



(4) The failure of any person to receive or procure forms required for making the declaration or returns required by this Part shall not excuse him from making such declaration or return.

**§111. Severability.** The provisions of this Part are severable. If any sentence, clause or section of this Part is for any reason found to be unconstitutional, illegal, or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair the other remaining provisions, sentences, clauses, or sections of this Part. It is hereby declared to be the intent of the Board that this Part would have been adopted had such unconstitutional, illegal or invalid sentence, clause or section not been included herein.

(Earned Income Tax Ordinance No. 2, adopted January 3, 2005)

## CHAPTER 24

### TAXATION, SPECIAL

#### Part 2

#### Real Estate Transfer Tax

**§201. Short Title.** This Part shall be known and may be cited as the Real Estate Transfer Tax Ordinance of Buffalo Township and is being enacted under the authority of the Local Tax Enabling Act, 53 P.S. Section 6901, et. seq., and the Tax Reform Code of 1971, 72 P.S. Sections 8101-C and 8101-D.

(Ordinance No. 27, adopted March 4, 1991)

**§202. Definitions.** The following words or phrases, when used in this Part, shall have the meanings ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

ASSOCIATION – A partnership, limited partnership, or any other form of unincorporated enterprise owned by two or more persons.

COLLECTOR – The Recorder of Deeds of Union County, Pennsylvania.

DOCUMENT – Any deed, instrument or writing, other than a lease, whereby any lands, tenements, hereditaments, or any interest therein, shall be granted, bargained, sold or otherwise conveyed to a grantee, purchaser, or any other person.

PERSON – A natural person, co-partnership, association or corporation. Whenever used in any clause prescribing or imposing a penalty, or both, the term person as to co-partnerships or associations shall mean the partners or members thereof, and as applied to corporations the officers thereof.

VALUE – On any document granting, bargaining, selling or otherwise conveying any land, tenement or hereditament, or interest therein, other than a lease, the amount of the actual consideration therefore, including all liens, mortgages, or other encumbrances thereon. “Actual consideration” shall be construed to mean for the purposes of this Part the cash paid for the execution and delivery of the deed, together with the face value of all liens, judgments, mortgages, or other encumbrances secured on the real estate conveyed or transferred by the said document, together with any other evidences of indebtedness or promises, either oral or written, given by or on behalf of the grantee to the grantor, or anyone on his behalf as full or part consideration for the document or conveyance; **provided**, that where such document shall set forth a small or nominal consideration, the “value” thereof shall be determined from the price set forth

in, or actual consideration for, the contract or agreement of sale, or in the case of a gift, from an actual monetary worth of the property granted, bargained, sold or otherwise conveyed, which in either event shall not be less than the amount of the highest assessment of such lands, tenements, or hereditaments for local tax purposes.

**§203. Imposition of Tax.** After the effective date of this Part, on every document whereby any lands, tenement or hereditaments, or any interest therein, lying, being and situate wholly or in part within the boundaries of Buffalo Township, shall be granted, bargained, sold or otherwise conveyed, a tax for general revenue purposes is hereby imposed, assessed and levied on each such document at the rate of one percent (1%) of the value of the real estate, lands, tenements, or hereditaments, or any interest therein which is conveyed or transferred by said document. **Provided**, where any lands, tenements or hereditaments being situated partly within and partly without the boundaries of Buffalo Township are conveyed by a document, such tax so levied shall be calculated on the valuation of that portion of such lands and tenements lying within the limits of the Township.

**§204. Payment of Tax; Exemptions.**

(1) This tax shall be due and payable whether the actual transfer or delivery of the document is made within or without the limits of Buffalo Township and shall be paid by the grantor or grantors named in the document at the time of the making and execution of said document; **provided**, however, it shall be the duty of the grantee or grantees named in the said document to ascertain that the said tax has been paid by the grantor or grantors before accepting delivery of said document, and it is **further provided** that if said grantee or grantees accepts delivery of a document which does not reflect any official stamp or writing that the tax has been paid, then the grantee or grantees shall become jointly liable with grantor or grantors for the payment of said tax.

(2) Transfers exempted from tax under the Tax Reform Code of 1971, Article XI-C, Section 1102-C-3, shall not be taxable under this Part.

**§205. Evidence of Payment.** The payment of the tax imposed by this Part shall be evidenced by an official stamp and/or writing affixed to every document indicating the amount of the tax paid, the date paid and the signature of the Collector.

**§206. Stamps for Evidencing Payment.** The Collector may prescribe, prepare and furnish adhesive stamps, of such denominations and quantities as may be necessary for the payment of the tax imposed and assessed by this Part.

**§207. Powers of Collector.** The Collector is hereby charged with the enforcement of the provisions of this Part, and is hereby authorized and empowered to prescribe, adopt, promulgate and enforce rules and regulations relating to:

(1) The method and means to be used in affixing or cancelling of stamps in substitution for, or in addition to, the method and means provided in this Part;

(2) The denominations and sale of stamps;

(3) Any other matter or thing pertaining to the administration and enforcement of the provisions of this Part.

**§208. Affidavit of Value.** Every document upon which a tax is imposed by this Part and which does not reflect the actual value of the land, tenements or hereditaments, or interest therein granted, bargained, sold or conveyed by said document shall be accompanied by an affidavit executed by a responsible person connected with the transaction, setting forth said connection and setting forth the true, full, complete and actual value of said land and transaction. Said affidavit shall be executed according to law, and on such forms as may be prescribed or required by the Collector.

**§209. Prohibited Acts.** It shall be unlawful for any person to:

(1) Fail to pay the tax imposed by this part;

(2) Make use of any stamps to denote payment of any tax imposed by this Part, without cancelling such stamp, as required by this Part or as prescribed by the Collector; or

(3) Fail, neglect, or refuse to comply with, or violate the rules and regulations, adopted, and promulgated by the Collector under the provisions of this Part.

**§210. Interest on Unpaid Tax.** All taxes imposed by this Part not paid when due shall bear interest thereon at the rate of one-half of one percent (0.5%) per month until paid.

**§211. Recovery of Unpaid Taxes.** All taxes imposed by this Part, together with interest from the due date, shall be recovered as other debts of like character are recovered.

**§212. Filing of Liens Authorized.** The tax imposed by this Part shall become a lien upon the lands, tenements, or hereditaments, or any interest therein, lying, being, and situate, wholly or in part, within the boundaries of Buffalo Township which lands, tenements, hereditaments, or interest therein, are described in or conveyed or transferred by the document which is the subject of the tax imposed, assessed and levied by this Part, said lien to begin at the time when the tax under this Part is due and payable and continue until discharged by payment, or in accordance with the law. The Solicitor is authorized to file a municipal or tax claim in the Court of Common Pleas of Union County in accordance with the provisions of the Municipal Lien Act of 1923, its supplements and amendments.

**§213. Penalty for Violation.** Any person who shall violate any provision of this Part shall, upon conviction thereof, be sentenced to pay a fine not exceeding three hundred dollars (\$300.00) and costs of prosecution.

**§214. Severability.** The provisions of this Part are severable, and if any section, clause, sentence, part or provision thereof shall be held illegal, invalid or unconstitutional, the decision of the court shall not affect or impair any of the remaining sections, clauses, sentences, parts or provisions of this Part. It is hereby declared to be the legislative intent that this Part would have been adopted if such illegal, invalid or unconstitutional section, clause, sentence, part or provisions has not been included herein.

**§215. Effective Date and Duration.** The tax levied under this Part shall go into effect on July 1, 1991 and shall continue in effect until such time as the Ordinance is repealed by the governing body of Buffalo Township.

(Ordinance No. 27, adopted March 4, 1991)

(Ordinance No. 26, adopted December 27, 1990)

## CHAPTER 24

### TAXATION, SPECIAL

#### Part 3

##### Local Services Tax

**§301. Definitions.** The following words and phrases, when used in this Part, shall have the meanings ascribed to them in this section, except where the context or language clearly indicates or requires a different meaning:

**COLLECTOR** – The person, public employee or private agency designated by the political subdivision to collect and administer the tax herein imposed.

**DCED** – The Department of Community and Economic Development of the Commonwealth of Pennsylvania.

**EARNED INCOME** – Compensation as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of Dec. 31, 1965, P.L. 1257, §13, as amended, 53 P.S. §6913, as amended.

**EMPLOYER** – An individual, partnership, association, limited liability corporation, limited liability partnership, corporation, governmental body, agency or other entity employing one or more persons on a salary, wage, commission or other compensation basis, including a self-employed person.

**HE, HIS OR HIM** – Indicates the singular and plural number, as well as male, female and neuter genders.

**INDIVIDUAL** – Any person, male or female, engaged in any occupation, trade or profession within the corporate limits of the political subdivision.

**NET PROFITS** – The net income from the operation of a business, profession, or other activity, as this term is defined in Section 13 (relating to earned income taxes) of the Local Tax Enabling Act, the Act of Dec. 31, 1965, P.L. 1251, §13, as amended, 53 P.S. §6913, as amended.

**OCCUPATION** – Any trade, profession, business or undertaking of any type, kind or character, including services, domestic or other, earned on or performed within the corporate limits of the political subdivision for which compensation is charged or received, whether by means of salary, wages, commission or fees for services rendered.

POLITICAL SUBDIVISION – The area within the corporate limits of Buffalo Township.

TAX – The local services tax at the rate fixed in this Part.

TAX YEAR – The period from January 1 until December 31 in any year; a calendar year.

**§302. Imposition of Tax.** For specific revenue purposes, an annual tax is hereby levied and assessed, commencing January 1, 2008, upon the privilege of engaging in an occupation with a primary place of employment within the Township of Buffalo (hereafter Township), Union County, Pennsylvania, during the tax year. Each natural person who exercises such privilege for any length of time during any tax year shall pay the tax for that year in the amount of Fifty-Two Dollars (\$52.00), assessed on a pro rata basis, in accordance with the provisions of this Part. This tax may be used solely for the following purposes as the same may be allocated by the Township from time to time: (1) emergency services, which shall include emergency medical services, police services and/or fire services; (2) road construction and/or maintenance; (3) reduction of property taxes; or (4) property tax relief through implementation of a homestead and farmstead exclusion in accordance with 53 Pa.C.S. Ch. 85, Subch. F (relating to homestead property exclusion). The political subdivision shall use no less than twenty-five percent of the funds derived from the tax for emergency services. This tax is in addition to all other taxes of any kind or nature heretofore levied by the political subdivision. The tax shall be no more than Fifty-Two Dollars (\$52.00) on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed.

**§303. Exemption and Refunds.**

(1) Exemption. Any person whose total earned income and net profits from all sources within the political subdivision is less than twelve thousand (\$12,000.00) dollars for any calendar year in which the tax is levied is exempt from the payment of the tax for that calendar year. In addition, the following persons are exempt from payment of the tax:

(a) Any person who has served in any war or armed conflict in which the United States was engaged and is honorably discharged or released under honorable circumstances from active service if, as a result of military service, the person is blind, paraplegic or a double or quadruple amputee or has a service-connected disability declared by the United States Veterans' Administration or its successor to be a total one hundred percent disability.

(b) Any person who serves as a member of a reserve component of the armed forces and is called to active duty at any time during the taxable year. For the purposes of this subparagraph, "reserve component of the armed forces" shall mean the United States Army Reserve, United States Navy Reserve, United States Marine Corps Reserve,

United States Coast Guard Reserve, United States Air Force Reserve, the Pennsylvania Army National Guard or the Pennsylvania Air National Guard.

(2) Procedure to Claim Exemption.

(a) A person seeking to claim an exemption from the local services tax may annually file an exemption certificate with the political subdivision and with the person's employer affirming that the person reasonably expects to receive earned income and net profits from all sources within the political subdivision of less than twelve thousand dollars (\$12,000.00) in the calendar year for which the exemption certificate is filed. In the event the political subdivision utilizes a tax collection officer, it shall provide a copy of the exemption certificate to that officer. The exemption certificate shall have attached to it a copy of all the employee's last pay stubs or W-2 forms from employment within the political subdivision for the year prior to the fiscal year for which the employee is requesting to be exempted from the tax. Upon receipt of the exemption certificate and until otherwise instructed by the political subdivision or except as required by subsection (b), the employer shall not withhold the tax from the person during the calendar year or the remainder of the calendar year for which the exemption certificate applies. Employers shall ensure that the exemption certificate forms are readily available to employees at all times and shall furnish each new employee with a form at the time of hiring. The exemption certificate form shall be the uniform form provided by the political subdivision.

(b) With respect to a person who claimed an exemption for a given calendar year from the tax, upon notification to an employer by the person or by the political subdivision that the person has received earned income and net profits from all sources within the political subdivision equal to or in excess of twelve thousand dollars (\$12,000.00) in that calendar year or that the person is otherwise ineligible for the tax exemption for that calendar year, or upon an employer's payment to the person of earned income within the municipality in an amount equal to or in excess of twelve thousand dollars (\$12,000.00) in that calendar year, an employer shall withhold the local services tax from the person under subsection (c).

(c) If a person who claimed an exemption for a given calendar year from the tax becomes subject to the tax for the calendar year under subsection (b), the employer shall withhold the tax for the remainder of that calendar year. The employer shall withhold from the person, for the first payroll period after receipt of the notification under subsection (b), a lump sum equal to the amount of tax that was not withheld from the person due to the exemption claimed by the person under this subsection, plus the per payroll amount due for that first payroll period. The amount of tax withheld per



payroll period for the remaining payroll periods in that calendar year shall be the same amount withheld for other employees. In the event the employment of a person subject to withholding of the tax under this section is subsequently severed in that calendar year, the person shall be liable for any outstanding balance of tax due, and the political subdivision may pursue collection under this Part.

(d) Except as provided in subsection (b), it is the intent of this subsection that employers shall not be responsible for investigating exemption certificates, monitoring tax exemption eligibility or exempting any employee from the local services tax.

(3) Refunds. The Township, in consultation with the Collector and DCED, shall establish procedures for the processing of refund claims for any tax paid by any person who is eligible for exemption, which procedures shall be in accord with provisions of the general municipal law relating to refunds of overpayments and interest on overpayments. Refunds made within seventy-five days of a refund request or seventy-five days after the last day the employer is required to remit the tax for the last quarter of the calendar year, whichever is later, shall not be subject to interest. No refunds shall be made for amounts overpaid in a calendar year that do not exceed one dollar (\$1.00). The Township or the Collector shall determine eligibility for exemption and provide refunds to exempt persons.

**§304. Duty of Employers to Collect.**

(1) Each employer within the political subdivision, as well as those employers situated outside the political subdivision but who engage in business within the political subdivision, is hereby charged with the duty of collecting the tax from each of his employees engaged by him or performing for him within the political subdivision and making a return and payment thereof to the Collector. Further, each employer is hereby authorized to deduct this tax for each employee in his or her employ, whether said employee is paid by salary, wage or commission and whether or not all such services are performed within the political subdivision.

(2) A person subject to the tax shall be assessed by the employer a pro rata share of the tax for each payroll period in which the person is engaging in an occupation. The pro rata share of the tax assessed on the person for a payroll period shall be determined by dividing the rate of the tax levied for the calendar year by the number of payroll periods established by the employer for the calendar year. For purposes of determining the pro rata share, an employer shall round down the amount of the tax collected each payroll period to the nearest one-hundredth of a dollar. Collection of the tax shall be made on a payroll period basis for each payroll period in which the person is engaging in an occupation, except as provided in subsection (4) of this Section. For purposes of this paragraph, combined rate shall mean the aggregate annual rate of the tax levied by the school district and the municipality.

(3) No person shall be subject to the payment of the local services tax by more than one political subdivision during each payroll period.

(4) In the case of concurrent employment, an employer shall refrain from withholding the tax if the employee provides a recent pay statement from a principal employer that includes the name of the employer, the length of the payroll period and the amount of the tax withheld and a statement from the employee that the pay statement is from the employee's principal employer and the employee will notify other employers of a change in principal place of employment within two weeks of its occurrence. The employee's statement shall be provided on a form approved by DCED.

(5) The tax shall be no more than fifty-two dollars (\$52.00) on each person for each calendar year, irrespective of the number of political subdivisions within which a person may be employed. The political subdivision shall provide a taxpayer a receipt of payment upon request by the taxpayer.

(6) No employer shall be held liable for failure to withhold the tax or for the payment of the withheld tax money to the political subdivision if the failure to withhold taxes arises from incorrect information submitted by the employee as to the employee's place or places of employment, the employee's principal office or where the employee is principally employed. Further, an employer shall not be liable for payment of the local services tax in an amount exceeding the amount withheld by the employer if the employer complies with the provisions of subsection (2) of §303 of this Part and this section and remits the amount so withheld in accordance with this Part.

(7) Employers shall be required to remit the local services taxes thirty days after the end of each quarter of a calendar year.

**§305. Returns.** Each employer shall prepare and file a return showing a computation of the tax on forms to be supplied to the employer by the Collector. If an employer fails to file the return and pay the tax, whether or not the employer makes collection thereof from the salary, wages or commissions paid by him or her to an employee, except as provided hereafter in this Part, the employer shall be responsible for the payment of the tax in full as though the tax had been originally levied against the employer.

**§306. Dates for Determining Tax Liability and Payment.** In each tax year, each employer shall use his or her employment records to determine the number of employees from whom such tax shall be deducted and paid over to the Collector on or before the thirtieth day following the end of each calendar quarter of each such tax year.

**§307. Self-Employed Individuals.** Each self-employed individual who performs services of any type or kind or engages in any occupation or profession within a primary place of employment within the political subdivision shall be required to comply with this Part and pay the pro rata portion of the tax due to the Collector on or before the thirtieth day following the end of each quarter.

**§308. Individuals Engaged in More Than One Occupation or Employed in More Than One Political Subdivision.**

(1) The situs of the tax shall be the place of employment on the first day the person becomes subject to the tax during each payroll period. In the event a person is engaged in more than one occupation, that is, concurrent employment, or an occupation which requires the person working in more than one political subdivision during a payroll period, the priority of claim to collect the local services tax shall be in the following order:

(a) First, the political subdivision in which a person maintains his or her principal office or is principally employed;

(b) Second, the political subdivision in which the person resides and works if the tax is levied by that political subdivision;

(c) Third, the political subdivision in which a person is employed and which imposes the tax nearest in miles to the person's home.

In case of dispute, a tax receipt of the taxing authority for that calendar year declaring that the taxpayer has made prior payment constitutes prima facie certification of payment to all other political subdivisions.

**§309. Non-Residents Subject to Tax.** All employers and self-employed individuals residing or having their places of business outside of the political subdivision but who perform services of any type or kind or engage in any occupation or profession within the political subdivision do, by virtue thereof, agree to be bound by and subject themselves to the provisions, penalties and regulations promulgated under this Part with the same force and effect as though they were residents of the political subdivision. Further, any individual engaged in an occupation within the political subdivision and an employee of a non-residential employer may, for the purpose of this Part, be considered a self-employed person, and in the event his or her tax is not paid, the political subdivision shall have the option of proceeding against either the employer or employee for the collection of this tax as hereinafter provided.

**§310. Administration of Tax.**

(1) The Collector shall be appointed by resolution of the political subdivision. It shall be the duty of the Collector to accept and receive payments of this tax and to keep a record thereof showing the amount received by him from each employer or self-employed person, together with the date the tax was received.

(2) The Collector is hereby charged with the administration and enforcement of this Part and is hereby charged and empowered, subject to municipal approval, to proscribe, adopt and promulgate rules and regulations relating to any matter pertaining to the administration and enforcement of this Part, including provisions for the examination of payroll records of any employer subject to this Part, the examination and correction of any return made in compliance with this Part and any payment alleged or found to be incorrect or as to which overpayment is claimed or found to have occurred. Any person aggrieved by any decision of the Collector shall have the right to appeal consistent with the Local Taxpayers Bill of Rights under Act 50 of 1998 (municipalities may detail their appeal processes).

(3) The Collector is hereby authorized to examine the books and payroll records of any employer in order to verify the accuracy of any return made by an employer or, if no return was made, to ascertain the tax due. Each employer is hereby directed and required to give the Collector the means, facilities and opportunity for such examination.

**§311. Suits for Collection.**

(1) In the event that any tax under this Part remains due or unpaid 30 days after the due dates above set forth, the Collector may sue for the recovery of any such tax due or unpaid under this Part, together with interest and penalty.

(2) If for any reason the tax is not paid when due, interest at the rate of 6% on the amount of such tax shall be calculated beginning with the due date of the tax and a penalty of 5% shall be added to the flat rate of such tax for nonpayment thereof. Where suit is brought for the recovery of this tax or other appropriate remedy undertaken, the individual liable therefor shall, in addition, be responsible and liable for the costs of collection.

**§312. Violations and Penalties.** Whoever makes any false or untrue statement on any return required by this Part, or whoever refuses inspection of the books, records or accounts in his or her custody and control setting forth the number of employees subject to this tax who are in his or her employment, or whoever fails or refuses to file any return required by this Part shall be guilty of a violation and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$600.00 and costs of prosecution, and, in default of payment of such fine and costs, to imprisonment for not more than 30 days. The action to enforce the penalty herein

prescribed may be instituted against any person in charge of the business of any employer who shall have failed or who refuses to file a return required by this Part.

**§313. Interpretation.**

(1) Nothing contained in this Part shall be construed to empower the political subdivision to levy and collect the tax hereby imposed on any occupation not within the taxing power of the political subdivision under the Constitution of the United States and the laws of the Commonwealth of Pennsylvania.

(2) If the tax hereby imposed under the provisions of this Part shall be held by any court of competent jurisdiction to be in violation of the Constitution of the United States or of the laws of the Commonwealth of Pennsylvania as to any individual, the decision of the court shall not affect or impair the right to impose or collect said tax or the validity of the tax so imposed on other persons or individuals as herein provided.

**§314. Severability.** Except as set forth hereafter, all ordinances or parts of ordinances inconsistent herewith are hereby repealed. If any term, condition, clause or provision of this Part shall be determined or declared to be void or invalid in law or otherwise, then only that term, condition, clause or provision shall be stricken from this Part and in all the other aspects this Part shall be valid and continue in full force, effect and operation.

**§315. Effective Date.** The tax imposed by this Part shall be effective on January 1, 2008 and all calendar years thereafter unless repealed or modified.

(Ordinance No. 51, adopted November 5, 2007)

## CHAPTER 24

### TAXATION, SPECIAL

#### Part 4

#### Local Taxpayers Bill of Rights

**§401. Authority.** The General Assembly of the Commonwealth of Pennsylvania enacted the Local Taxpayers Bill of Rights (the “LTBR”) within the provisions of Act 50 of 1998. Buffalo Township levies certain taxes which qualify as Eligible Taxes under the LTBR. In order to comply with the requirements of the Local Taxpayers Bill of Rights, the governing body of this political subdivision desires to adopt rules and regulations for practice and procedure implementing the LTBR, a Notice to Taxpayers, a Disclosure Statement and administrative appeal procedures relating to taxpayer Petitions.

**§402. Rules and Regulations.**

(1) The Rules and Regulations of Schedule 1 of the LTBR are incorporated herein and are hereby approved and adopted;

(2) The Disclosure Statement, substantially in the form set forth in Schedule 2 of the LTBR is incorporated herein and is hereby approved and adopted;

(3) The form of Petition for Appeal and Refund, substantially in the form set forth in Schedule 3 of the LTBR is incorporated herein and is hereby approved and adopted;

(4) The form of Taxpayer Notice, substantially in the form set forth in Schedule 4 of the LTBR is incorporated herein and is approved and adopted;

(5) The form of Request for Extension of Time to Provide Information, substantially in the form set forth in Schedule 5 of the LTBR is incorporated herein and is hereby approved and adopted;

(6) The form of Initial Refund Claim Form, substantially in the form set forth in Schedule 6 of the LTBR is incorporated herein and is hereby approved and adopted;

(7) The Governing Body hereby determines that Administrative Appeal Procedures relating to Petitions for Appeal and Refund submitted by taxpayers in connection with the assessment, determination or refund of an Eligible Tax under the LTBR shall be undertaken by the Buffalo Township Board of Supervisors in Executive Session;

(8) The Administrative Appeal Procedures set forth in the Rules and Regulations and substantially in the form set forth in Schedule 7 of the LTBR is incorporated herein and is hereby approved and adopted;

(9) This Part shall be applicable to Eligible Taxes as of January 1, 1999.

(Ordinance No. 43, adopted February 7, 2000)

## CHAPTER 24

### TAXATION, SPECIAL

#### Part 5

#### Service Charges

**§501. Service Fee - Tax Bill.** From and after the effective date of this Part, the Buffalo Township Tax Collector is authorized to impose and collect a service charge of \$10.00 for each copy of a tax bill, other than the original tax bill, that the Tax Collector is requested to provide. The same shall be payable in advance at the time the copy is requested. The purpose of the service charge is to pay for the costs, expense and time required to provide said copy.

**§502. Return Check Fee.** From and after the effective date of this Part, the Buffalo Township Tax Collector is hereby authorized to impose and collect a service charge of \$35.00 for each check or draft delivered to the Tax Collector in payment of taxes and/or fees that is returned to the Tax Collector for any reason. The purpose of the service charge is to pay for the costs, expenses and time in processing the returned check or draft.

**§503. Service Fee – Tax Certification.** From and after the effective date of this Part, the Buffalo Township Tax Collector is authorized to impose and collect a service charge of \$20.00 per parcel for a tax certification, certifying as to the status of taxes collected by the Tax Collector. The same shall be payable in advance at the time the certification is requested. The purpose of this service charge is to pay for expenses, costs and time required to provide said certification.

**§504. Change in Fees.** The service charges established herein may be changed from time to time by resolution of the Board of Supervisors of Buffalo Township, Union County, Pennsylvania, as circumstances require.

(Ordinance No. 16-03, adopted March 7, 2016)



**CHAPTER 24**

**TAXATION, SPECIAL**

**Part 6**

**Volunteer Service Tax Credit**

**§601. Definitions.** The following words and phrases when used in the Part shall have the meanings given to them in this Section unless a context clearly indicates otherwise.

**ACTIVE VOLUNTEER** - A volunteer for a volunteer fire company or nonprofit emergency medical service agency listed under §602(3) who has complied with, and is certified under, the Volunteer Service Credit Program.

**EARNED INCOME TAX** - A tax on earned income and net profits levied under Chapter 3 of the act of December 31, 1965 (P.L. 1257, No. 511), known as the Local Tax Enabling Act.

**ELIGIBILITY PERIOD** - The timeframe when volunteers may earn credit under the Volunteer Service Credit Program.

**EMERGENCY RESPONDER** - A volunteer who responds to an emergency call with any of the entities listed under §602(3).

**EMERGENCY RESPONSE CALL** - Any emergency call to which a volunteer responds.

**QUALIFIED REAL PROPERTY** - A residential real property owned and occupied as the domicile of an active volunteer.

**VOLUNTEER** - A member of a volunteer fire company or a nonprofit emergency medical service agency.

**§602. Volunteer Service Credit Program.**

(1) **Establishment.** Buffalo Township hereby establishes a Volunteer Service Credit Program. The goal of the program is to encourage service in the community's volunteer fire companies and nonprofit emergency medical service agencies.

(2) **Program Criteria.** The Board shall establish, by Resolution, the annual criteria that must be met to qualify for credits under the program based on the following:

(a) The number of emergency response calls to which a volunteer responds.

(b) The level of training and participation in formal training and drills for a volunteer.

(c) The total amount of time expended by a volunteer on administrative and other support services, included but not limited to:

(1) Fundraising;

(2) Providing facility or equipment maintenance; and

(3) Bookkeeping.

(d) The involvement in other events or projects that aid the financial viability, emergency response or operational readiness of a volunteer fire company or nonprofit emergency medical service agency.

(3) Eligible Entities. The Volunteer Service Credit Program is available to residents of the Township who are volunteers of the following volunteer fire companies and nonprofit emergency medical service agencies that provide service to Buffalo Township:

(a) William Cameron Engine Company or its successors.

(b) Mifflinburg Hose Company or its successors.

(c) White Deer Fire Company or its successors.

(d) New Berlin Fire Company or its successors.

(4) Eligibility Period. A volunteer must meet the minimum criteria, set by resolution under this section, during the annual eligibility period of December 1<sup>st</sup> until November 30<sup>th</sup>, to qualify for the tax credits established under §603.

(5) Application for Certification. Volunteers who are subject to Earned Income Tax and/or Real Property Tax of Township shall sign and submit an application for certification of the Volunteer Service Credit Program to their chief or supervisor on or before November 1<sup>st</sup> of each year. The chief or supervisor shall sign the volunteer's self-certification of eligibility and forward it to the Township on or before December 1<sup>st</sup> of each year.

(6) Service Log. The chief of each volunteer fire company or the supervisor of the nonprofit emergency medical service agency listed under §602(3) shall keep specific records of each volunteer's activities in a service log, provided by the Township, to calculate credits under the Volunteer Service Credit Program. Service logs shall be subject to review by the Board of Supervisors, the State Fire Commissioner and the State Auditor General.

The chief, or supervisor, attesting to the status of Active Volunteers, shall annually transmit to the Township a notarized eligibility list and Service Logs of all volunteers who have met the minimum criteria for the Volunteer Service Credit Program. These documents shall be transmitted to the Township no later than December 15<sup>th</sup> of each year.

(7) Municipal Review. The Township shall review the notarized eligibility list for credit under the Volunteer Service Credit Program; cross reference them with the application eligibility list; and, if applying for Qualified Real Property Tax Credit, obtain verification of Homestead Exclusion (owner/occupancy) from the Union County Assessment Office.

The Board of Supervisors shall approve all applicants who are on the notarized eligibility list.

All applicants approved by the Board of Supervisors shall be issued a tax credit certificate by the Township no later than February 15<sup>th</sup>.

(8) Official Tax Credit Register. The Township shall keep an official Tax Credit Register of all active volunteers who were issued tax credit certificates. The Township shall issue updates, as needed, of the official Tax Credit Register to the following:

- (a) Board of Supervisors;
- (b) Chief of the volunteer fire company(ies);
- (c) Chief or supervisor of the nonprofit emergency services agency(ies);
- (d) Tax Officer(s) for the Township Tax Collection District.

(9) Injured Volunteers.

(a) An emergency responder who is injured during an emergency response call may be eligible for future tax credits. The injury must have occurred while responding to, participating in, or returning from an emergency response call with one of the entities listed under §602(3).

(b) An injured emergency responder shall provide documentation from a licensed physician with the application required under §602 stating that their injury prevents them from performing duties to qualify as an active volunteer. In such a case, the injured emergency responder shall be deemed an active volunteer for that tax year.

(c) An injured emergency responder shall annually submit the application required under §602, along with updated documentation from a licensed physician stating that the injury still exists and prevents them from qualifying as an active volunteer. The injured emergency responder shall again be deemed an active volunteer

for that tax year. An injured emergency responder shall only be deemed an active volunteer for a maximum of five (5) consecutive tax years.

**§603. Earned Income Tax Credit.**

(1) Tax Credit. Each active volunteer who has been subject to the Earned Income Tax levied by the Township and has been certified under the Township Volunteer Service Credit Program shall be eligible to receive a tax credit of up to \$750.00 of the Earned Income Tax for the preceding calendar year. When an active volunteer's earned income tax liability is less than the amount of the tax credit, the tax credit shall equal the individual's Township levied tax liability.

(2) Claim. Only those active volunteers certified by the Board of Supervisors shall receive the earned income tax credit. This credit may be utilized for any earned income tax paid to the Township during the previous calendar year only when filing a final return with the Tax Officer for the Tax Collection District.

(3) Rejection of Tax Credit Claim.

(a) The Tax Officer shall reject a claim for a tax credit if the taxpayer is not on the official Tax Credit Register issued by the Township.

(b) The Tax Officer shall reject a claim for a tax credit if the active volunteer was not subject to the Earned Income Tax levied by the Township during the preceding calendar year.

(c) If the Tax Officer rejects the claim, the taxpayer shall be notified in writing by Certified Mail of the decision. The notice shall include the reasons for the rejection and provide the method of appealing the decision pursuant to §605.

(d) Taxpayers shall have 30 calendar days from the mailing of this notice of rejection to appeal the decision of the Tax Officer.

**§604. Real Property Tax Credit.**

(1) Tax Credit. Each active volunteer who has been certified under the Township Volunteer Service Credit Program shall be eligible to receive a real property tax credit of 20% of the Township tax liability paid on qualified real property. If the tax is paid in the penalty period, the tax credit shall only apply to the base tax year liability.

(2) Claim.

(a) An active volunteer with a tax credit certificate may file a claim for the tax credit on their qualified real property tax liability for the Township's real estate tax levy.

All claims must be filed with the Township by June 30<sup>th</sup> for refunds for the preceding year. Once the deadline for filing a claim has passed, the Township will not accept and/or process a claim.

The tax credit shall be administered as a refund by the Township.

An active volunteer shall file the following with the Township:

(1) A true and correct receipt from the Township real estate tax collector of the amount paid for Township real property taxes for the preceding tax year.

(2) The Township issued tax credit certificate.

(3) Photo identification.

(b) If the active volunteer provides all documents required under this subsection, the Township shall issue the tax refund to the active volunteer.

(3) Rejection of the Tax Credit Claim.

(a) The Township shall reject the claim for a Township real property tax credit if the taxpayer fails to provide the documents required under §604(2)(a).

(b) If the Township rejects the claim, the taxpayer shall be notified in writing by Certified Mail of the decision. The notice shall include the reason(s) for the rejection and provide the method of appealing the decision pursuant to §605.

(c) Taxpayers shall have 30 calendar days from the mailing of this notice of rejection to appeal the decision of the Township.

**§605. Appeals.**

(1) Earned Income Tax Credit Appeals.

(a) Any taxpayer aggrieved by a decision under §603 shall have a right to appeal said decision.

(b) A taxpayer shall have 30 calendar days from the date of mailing of the notice of rejection to appeal a rejection of a claim.

(c) All appeals of decisions under §603 shall follow the provisions of the Act of May 5, 1998, P.L. 301, No. 50, known as the Local Taxpayers Bill of Rights.

(d) The appeal procedure is set forth in Buffalo Township Resolution 17-03.

(2) Real Property Tax Credit Appeals.

(a) Any taxpayer aggrieved by a decision under §604 shall have a right to appeal said decision.

(b) A taxpayer shall have 30 calendar days from the date of mailing of the notice of rejection to appeal a decision or rejection of claim.

(c) All appeals under §604 shall follow the provisions of 2 Pa.C.S. Chapter 5, Subchapter B (relating to practice and procedure of local agencies), and 2 Pa.C.S. Chapter 7, Subchapter B (relating to judicial review of local agency action), also known as the "Local Agency Law."

(Ordinance No. 17-03, adopted September 5, 2017)

**CHAPTER 24**  
**TAXATION, SPECIAL**

**Part 7**

**Fire Hydrant Tax**

**§701. Imposition of Tax.** Beginning in 2019, there shall be an annual assessment for fire hydrants. Said assessment shall be levied upon all property, except those properties which are exempt from taxation under existing law, within seven hundred eighty (780') feet of any fire hydrant and shall be based upon the assessment of property for county tax purposes.

**§702. Amount of Tax.** The assessment levied under §701 on all such affected property shall be a flat rate of Fifteen Dollars (\$15.00).

(Ordinance No. 19-2, adopted December 2, 2019)